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Washington

WS-38

December 26, 1939

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# THE WHEAT SITUATION
Including Rye

## Summary

Wheat production prospects in the United States for 1940 now indicate that the crop may turn out to be smaller than domestic requirements for the 1940-41 marketing season. If exports for the remainder of the present season are small, the carry-over on July 1, 1940 probably will be larger than the carry-over on July 1, 1939, but not enough larger to fully offset the probable reduction in the crop below domestic requirements for next year. The carry-over on July 1, 1941 probably will be over 200 million bushels. On July 1, 1939 it was 254 million bushels.

Winter wheat production of 399 million bushels was indicated December 21 by the official crop report as of December 1. Spring wheat acreage may be increased about 10 percent, if present indications are borne out, and this acreage with average yields would result in a crop of about 200 million bushels. These totals for the winter and spring crops would give a combined harvest about 60 million bushels smaller than the 660 million bushels disappearance forecast for 1940-41.

The 1940 Agricultural Outlook Chart Book for Wheat and Rye is now available to readers of The Wheat Situation. Any reader who wants a copy may obtain it upon request to the Division of Economic Information, Bureau of Agricultural Economics, Washington, D. C.

World wheat supplies 1/ for the year beginning July 1, 1939 are now indicated to be about 255 million bushels more than for the preceding year. World stocks of old wheat on July 1, estimated at about 1,190 million bushels, were about 590 million bushels more than a year earlier. On the other hand, world wheat production is now estimated at 4,252 million bushels, which is about 335 million bushels below the record production of 1938. The present world production estimate for 1939 is 35 million bushels less than the estimate of a month ago, largely as the result of the reduction in prospects in Argentina. No marked change in the wheat acreage for the 1940 crop in Europe is expected.

Wheat prices in domestic and foreign markets advanced since late November mainly as the result of large-scale export sales of Canadian wheat, reduced crop prospects in Argentina, and continued poor crop prospects for winter wheat in the United States. Prices in the United States continue high compared with the usual relationship to prices in other countries chiefly as the result of the agricultural program, the large quantities being held by farmers, and poor prospects for next year's crop.

Production of rye in 1939 in the 23 countries for which reports are available totaled 954 million bushels. This is 2 percent less than the production reported in these countries in 1938, when their production was almost 92 percent of the estimated world total. The 1938 rye crop in the United States was revised to 39,249,000 bushels on December 19, or slightly below the 40,834,000 bushels indicated in August.

1/ All references to world acreage, supplies, production, and stocks in this report exclude the U.S.S.R. and China, except where noted.

The acreage of rye seeded in the fall of 1939 is estimated at 5.6 million acres or 78.5 percent of the 7.2 million acres seeded a year ago. The condition of rye on December 1, 1939 at 64 percent of normal is 12 condition points below last year and 15 points lower than the 10-year (1927-36) average. The low condition and yield prospect reflects the extreme shortage of moisture over much of the rye-producing territory.

## THE WORLD WHEAT SITUATION 2/

BACKGROUND.- Total world supplies of wheat increased sharply from 1924 to 1933, largely as a result of increased acreage. From 1934 to 1936 world supplies declined, following successive years of small yields and increased world demand. Supplies increased slightly in 1937. With the return of more normal yields on the large acreage, supplies in 1938 were again large - the largest on record up to that time.

Total world shipments of wheat averaged 751 million bushels for the period 1923-37, reached a peak of 913 million bushels in the year beginning July 1928, and then declined sharply, largely as a result of the measures taken by importing countries to reduce the use of foreign wheat. For the year beginning July 1, 1938, world shipments were 598 million bushels.

World wheat prices declined in the period 1924-33 with the increase in world supplies. The sharp decline in prices after 1929 was caused largely by the general decline in industrial activity and commodity prices. From the spring of 1933 to the summer of 1937, world wheat prices moved steadily upward, reflecting a world-wide recovery in commodity price levels, currency depreciation, and reduced production. The world price for the 1937 crop remained practically unchanged from that of a year earlier. In 1938 world prices again declined sharply as a result of the record world production and weakness of demand.

### World 1939 wheat supplies now estimated at 255 million bushels above 1938 supplies

World wheat supplies 2/ for the year beginning July 1, 1939 are now indicated to be about 255 million bushels more than for the preceding year.

2/ All references to world acreage, supplies, production, and stocks in this report exclude the U.S.S.R. and China, except where noted.

World stocks 2/ of old wheat on July 1, estimated at about 1,190 million bushels, are about 590 million bushels more than a year earlier. On the other hand, world wheat production 2/ is now estimated at 4,252 million bushels, which is about 335 million bushels below production in 1938.

The present estimate of world production in 1939 is 35 million bushels below the similar estimate made in November. The reduction was caused by the deterioration of the crop in the Southern Hemisphere, especially in Argentina, where the crop is now officially estimated at 147 million bushels. This contrasts with conditions a month ago when a forecast of 200 million bushels for Argentina seemed warranted. The current estimate is, with the exception of that for 1935 when production was 141 million bushels, the smallest since 1916. In the Northern Hemisphere, on the other hand, the estimates now total about 20 million bushels above those of a month ago, largely as the result of an upward revision of about 16 million bushels for the United States. European production estimates now total about 4 million bushels more than they did a month ago.

Table 1.- Wheat: Production, in specified countries, 1936-39

| Country | 1936 | 1937 | 1938 | 1939 |
|---|---|---|---|---|
| | 1,000 bushels | 1,000 bushels | 1,000 bushels | 1,000 bushels |
| Northern Hemisphere | | | | |
| North America: | | | | |
| United States | 626,766 | 875,676 | 931,702 | 754,971 |
| Canada | 219,218 | 180,210 | 350,010 | 478,965 |
| Mexico | 13,581 | 10,587 | 13,425 | 1/ 13,000 |
| Total (3) | 859,565 | 1,066,473 | 1,295,137 | 1,246,936 |
| Europe: | | | | |
| Europe excl. Danube Basin 2/ (26) | 1,096,026 | 1,177,163 | 1,392,738 | 1,262,019 |
| Danube Basin (4) | 384,279 | 361,463 | 466,212 | 453,612 |
| Total (30) | 1,481,305 | 1,538,626 | 1,858,950 | 1,715,631 |
| North Africa (4) | 95,791 | 117,015 | 118,011 | 148,949 |
| Asia (6) | 565,636 | 579,699 | 638,905 | 629,519 |
| Total 43 countries | 3,002,297 | 3,301,813 | 3,911,003 | 3,740,483 |
| Estimated Northern Hemisphere total, excluding Soviet Russia and China 3/ | 3,107,000 | 3,406,000 | 4,015,000 | 3,844,000 |
| Southern Hemisphere | | | | |
| Argentina | 249,193 | 184,301 | 336,201 | 146,973 |
| Australia | 151,390 | 187,256 | 154,426 | 182,568 |
| Union of South Africa | 16,077 | 10,157 | 17,093 | 1/ 15,000 |
| Estimated world total, excluding Soviet Russia and China 3/ | 3,579,000 | 3,852,000 | 4,589,000 | 4,252,000 |

Compiled from official data. 1/ Approximation. 2/ Excludes Soviet Russia. 3/ Includes, besides countries listed, estimates for wheat-producing countries for which reports are not available.

2/ All references to world acreage, supplies, production, and stocks in this report exclude the U.S.S.R. and China, except where noted.

No marked change in European acreage in prospect for 1940

No marked change in the wheat acreage for the 1940 crop in Europe is expected. Fall seedings over much of Europe were held up considerably because of excessive moisture. As a result it is now believed that the winter wheat acreage in western Europe will be smaller than was planned. It is to be expected, however, that an effort will be made to offset this decrease by increased spring wheat seedings.

A reduction is reported in the acreage planted in Rumania compared with that of last year. In Hungary excessive rain was detrimental to planting but was beneficial for the development of early sown grain. In other parts of the Danube Basin and in Soviet Russia conditions are reported to be generally satisfactory. In Spain the weather was too wet to favor seeding and the area seeded is not expected to reach the total planned. A slight acreage increase is expected in Italy, but for a few sections unsatisfactory conditions are reported.

In India seeding will soon be completed, and little change in acreage is indicated. Seeding took place under unfavorable conditions, as there was a serious lack of moisture.

Exportable surpluses in Northern Hemisphere alone in excess of 1939-40 world export prospects

The reduction in the wheat crop in Argentina does not affect the general situation very much because the exportable supplies in Northern Hemisphere countries alone are more than enough to take care of world trade for the remainder of this season. Exportable supplies (July 1 stocks plus production less 12-month domestic disappearance less "minimum normal" carry-over stocks) for the current season in Canada are about 425 million bushels, and in the Danubian countries about 100 million bushels. Exports from the United States now appear likely to approximate 35 million bushels. These three items alone total 560 million bushels, without counting exports from North Africa, India, Turkey and the U.S.S.R., and would be more than enough to take care of the world imports forecast a month ago by the Bureau at about 535 million bushels. On the basis of the reduced estimate for Argentina, exportable supplies in that country for the year beginning July 1,-1939 would be about 185 million bushels. Those for Australia are estimated at about 135 million bushels.

Exports of wheat, including flour made wholly of United States wheat, from the United States from July 1 through December 16 are estimated at about 28 million bushels. During the same period last year exports were 40 million bushels. Reduced exports this year are largely the result of the poor crop prospects, but the following are also contributing factors: (1) United Kingdom preference for wheat from Australia, Canada, and Argentina, because these countries accept pound sterling exchange; (2) the desire of the United Kingdom to conserve dollar exchange by limiting purchases in the United States as far as possible to nonagricultural products not readily obtainable

elsewhere; (3) the ability of France to secure about all of its imports of wheat from North Africa, and of Germany and Italy from countries to the east; and (4) some reduction of United States exports to neutral countries because of the uncertainties of shipping.

The surplus available for export from principal surplus-producing countries on December 1 is shown in table 7, and current trade statistics with comparisons in tables 8 to 11.

## THE DOMESTIC WHEAT SITUATION

BACKGROUND.- The carry-over of old wheat in the United States averaged about 220 million bushels in the 10-year period 1929-38. In 1933 stocks reached a record peak of about 360 million bushels. The domestic disappearance during the 10 years, 1929-38, averaged about 685 million bushels.

Domestic wheat prices from the spring of 1933 to that of 1937 were unusually high in relation to world prices, as the result of small crops in the United States. During the year beginning July 1936, both world and domestic prices advanced sharply as a result of increased demand and small supplies. Prices received by producers for the 1936-37 season averaged 103 cents per bushel; for the 1937-38 season, 96 cents; and for the 1938-39 season, 55 cents. Prices were lower in 1938-39 largely as the result of the large world wheat supplies and reduced world demand.

### United States 1939 production estimate revised upward by 2 percent

Production of all wheat in 1939 is estimated at 754,971,000 bushels, or 2 percent more than the preliminary estimate made in October. This year's crop is about 19 percent smaller than the large 1938 crop of 931,702,000 bushels but is slightly larger than the 10-year (1928-37) average production of 752,952,000 bushels. The harvested acreage of all wheat was 53,696,000 acres compared with 69,869,000 acres harvested in 1938 and the 10-year average of 55,804,000 acres. Practically all States harvested smaller acreages of wheat than in 1938. Seedings were materially reduced from the immediately preceding years because of lower prices for the 1938 crop and the smaller allotments established by the Agricultural Adjustment Administration for the 1939 crop. This year's yield was 14.1 bushels per harvested acre of all wheat, compared with 13.3 bushels in 1938 and the 10-year average of 13.4 bushels.

Winter wheat production in 1939 was 563,431,000 bushels compared with 688,133,000 bushels in 1938 and the 10-year (1928-37) average of 560,160,000 bushels. The harvested acreage in 1939 was 37,802,000 acres, or 24 percent below the acreage harvested in 1938 and slightly less than the average harvested acreage of 38,160,000 acres. Winter wheat for harvest in 1939 was seeded on 46,364,000 acres, compared with the 10-year average seeded acreage of 46,996,000 acres. The abandonment of acreage in 1939 was about average for

the country as a whole, amounting to 18.5 percent compared with 11.9 percent in 1938 and the 10-year average of 18.7. The estimate of acreage abandoned includes an allowance for acreage seeded to winter wheat and later diverted to other uses to meet acreage allotments. The yield per harvested acre is 14.9 bushels compared with 13.8 bushels last year and the average of 14.5 bushels. Yields per harvested acre in 1939 were mostly above average in the soft red winter wheat area and in the Northwest. Below-average yields were secured in the Central Great Plains area.

For 1939, production of all spring wheat is estimated at 191,540,000 bushels, or slightly less than an average crop. Production in 1938 was 243,569,000 bushels and the 10-year average, 192,792,000 bushels. The 21 percent reduction from last year was due to reduced acreage since the average yield per harvested acre was approximately the same in both years.

Durum wheat production in 1939 accounted for 34,360,000 bushels of the all-spring wheat production. This compares with a production of 40,697,000 bushels in 1938 and the average of 35,076,000 bushels. The estimated yield per harvested acre in 1939 was 11.2 bushels per acre, compared with 11.4 bushels in 1938 and the 10-year average of 9.4 bushels. The acreage of durum wheat harvested in 1939 was 3,006,000 acres, or 16 percent less than the 3,569,000 acres harvested in 1938 and 10 percent below the 10-year average acreage of 3,355,000 acres. Of the total of 3,220,000 seeded in 1939, 10.7 percent was abandoned. This compares with 10.5 percent last year and the 10-year average of 19.7.

Production of spring wheat other than durum in 1939 is estimated at 157,180,000 bushels. This is about equal to the average of 157,716,000 bushels but about 23 percent less than the 202,872,000 bushel crop produced in 1938. An area of 14,312,000 acres was seeded to spring wheat other than durum in 1939 compared with 19,139,000 acres in 1938. However, the abandonment of 10.4 percent was less than the 13.7 percent of last year and much below the average of 21.6 percent which includes some bad rust years. The 1939 acreage of other spring wheat harvested was 12,828,000 compared with 16,514,000 acres last year, and the average of 14,290,000 acres. The yield of 12.3 bushels per harvested acre was equal to that of 1938 but was well above the average of 10.9.

United States total wheat production in 1940 may be small but prospective July 1940 carry-over is moderately large

Production in 1940 may be about 600 million bushels, and with a prospective carry-over of about 300 million bushels July 1, 1940, supplies in 1940-41 may be about 240 million bushels in excess of probable domestic requirements of about 660 million bushels. The moderately large carry-over stocks on hand last July, accordingly, may not be materially reduced by the close of the 1940-41 marketing year.

A winter wheat acreage of 45.0 million acres was indicated December 21 by the official crop report. The seeded acreage is 2.9 percent less than the 46.4 million acres seeded a year earlier, and 4 percent less than the 10-year

(1927-36) average of 47.0 million acres. The condition of winter wheat on December 1 was 55 percent, compared with 72 percent a year ago, and the average December 1 condition of 80 percent. This is the lowest December condition ever reported; the previous record low condition was 69 percent in 1932. On the basis of the past relationship between December 1 condition and yield per seeded acre, with some allowance for the probable effect of weather conditions during the past summer and fall, the indicated production of winter wheat in 1940 is about 399 million bushels. An abandonment of about one-third of the seeded acreage may be expected, judging from the relationship between December 1 condition and fall weather factors to abandonment in previous years.

Seedings were below last year in the greater portion of the Great Plains States, and in the central soft red winter wheat area. But there were increased seedings in the States surrounding this area. In Texas, Oklahoma, Washington and Oregon seeding is still in progress, with indications of considerable shift to spring sown wheat in the latter two States on acreage normally intended for winter wheat. Fall seedings were delayed, and to some extent suspended because of shortage of moisture which is acute beyond precedent. Moreover, a considerable portion of the acreage seeded in the Great Plains area and farther west was seeded in such dry soil that germination and rooting has been seriously impaired. In ten important winter wheat States of the Great Plains, the Southwest and the Pacific Northwest precipitation during the period July 1 to December 1 was only slightly more than half of normal for the area as a whole. This year the lowest December 1 condition was in the Great Plains States, and in Oregon and Washington, in all of which the condition was less than 60 percent. The December 1 condition was somewhat below average in nearly all the East North Central and Atlantic States, but in that area the final yield outcome is less dependent on fall moisture than in the States farther west.

Some increase in spring wheat acreage is expected. The 1940 acreage allotment for the spring wheat States is about 10 percent more than the allotment for 1939. In the past, most farmers in these States have cooperated in the allotment program. Non-cooperators may make some small further increases. With a high degree of compliance anticipated in the spring wheat States, it appears reasonable to expect about a 10-percent increase in spring wheat seedings, or an acreage of about 20 million acres. Such an acreage with average yields of 10 bushels per seeded acre would produce a crop of about 200 million bushels. Until recently moisture in the Northern Plain States has been below average, but rain and snow have now relieved the dry conditions. If the winter wheat crop should turn out to be 399 million bushels, and the spring crop 200 million bushels, the crop would total about 60 million bushels less than the estimated domestic disappearance of about 660 million bushels in 1940-41. Because of the moderately large carry-over of about 300 million bushels in prospect for July 1, 1940, the carry-over July 1, 1941 may still be over 200 million bushels. Domestic disappearance is expected to be smaller than in 1939-40 because of the probability of reduced wheat feeding, resulting from prospective wheat prices being high relative to feed-grain prices.

The estimated supply and distribution, total and by classes, for 1939-40 is shown in table 2, section A, prospective figures for 1940-41 in section B, and carry-over stocks for comparison in section C.

Table 2.- Wheat supplies and distribution by classes, continental United States: estimated for 1939-40 and projected for 1940-41

| Item | Hard Red Winter | Soft Red Winter | Hard Red Spring | Durum | White | Total |
|---|---|---|---|---|---|---|
| | Mil. bu. | Mil. bu. | Mil. bu. | Mil. bu. | Mil. bu. | Mil. bu. |
| A. Year beginning July 1, 1939 | | | | | | |
| Carry-over July 1, 1939 (old wheat) | 114 | 30 | 73 | 18 | 19 | 254 |
| Production | 307 | 203 | 130 | 35 | 80 | 755 |
| Total supply | 421 | 233 | 203 | 53 | 99 | 1,009 |
| Exports and shipments | 18 | 2 | --- | --- | 15 | 35 |
| Domestic disappearance | 260 | 200 | 115 | 25 | 70 | 670 |
| B. Year beginning July 1, 1940 | | | | | | |
| Carry-over July 1, 1940 (old wheat) | 143 | 31 | 88 | 28 | 14 | 304 |
| Production | 193 | 168 | 122 | 32 | 85 | 600 |
| Total supply | 336 | 199 | 210 | 60 | 99 | 904 |
| Shipments to territories | 1 | --- | --- | --- | 2 | 3 |
| Domestic disappearance | 250 | 170 | 130 | 30 | 80 | 660 |
| Available for carry-over and export, July 1, 1941 | 85 | 29 | 80 | 30 | 17 | 241 |
| C. July stocks, comparisons | | | | | | |
| Average, 1929-33 1/ | 161 | 32 | 79 | 24 | 21 | 317 |
| Average, 1934-38 1/ | 69 | 29 | 37 | 6 | 19 | 160 |
| Smallest in recent years (1937) | 37 | 15 | 18 | 3 | 10 | 83 |
| Largest (1933) 1/ | 201 | 31 | 98 | 16 | 32 | 378 |

1/ Contains some new wheat prior to 1937, probably 15-20 million bushels on the average.

## Wheat prices advance sharply

Wheat prices in domestic markets advanced along with prices in markets in other countries, largely as the result of large-scale export sales of Canadian wheat, reduced crop prospects in Argentina, and continued poor prospects for winter wheat in the United States. No. 2 Hard Winter wheat at Kansas City averaged 98 cents for the week ended December 16, which was 12 cents higher than for the week ended November 25 (table 3). This was slightly more than the advance in Canada and Argentina. December closing wheat prices at Winnipeg averaged 72 cents for the week ended December 16 or 11 cents higher than for the week ended November 25; and February closing wheat prices at Buenos Aires averaged

68 cents for the week ended December 16, which was also 11 cents higher than for the week ended November 25 (table 4). Wheat prices have declined somewhat since December 18, when prices were the highest since October 1937.

Wheat prices in the United States continued high compared with the usual relationship to prices in other countries (table 5). The agricultural program, the large quantity of wheat being held by farmers, and poor prospects for next year's crop are largely responsible for this change in relationship.

The withholding of wheat from market this year has been an important market factor. Withholding has been encouraged by anticipation of higher prices as a result of the war, by the governmental loan program, and the poor outlook for winter wheat. The quantity of wheat under government loan on December 18 totaled approximately 165 million bushels, of which about 32 million bushels were stored on farms and 133 million bushels in country and terminal warehouses.

Table 3.- Weighted average cash price of wheat, specified markets and dates, 1938 and 1939

| Month or date | All classes and grades six markets | | No. 2 Hard Winter Kansas City | | No. 1 Dk. N. Spring Minneapolis | | No. 2 Hard Amber Durum Minneapolis | | No. 2 Red Winter St. Louis | | Western White 1/ Seattle | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1938 | 1939 | 1938 | 1939 | 1938 | 1939 | 1938 | 1939 | 1938 | 1939 | 1938 | 1939 |
| | Ct. | Ct. | Ct. | Ct. | Ct. | Ct. | Ct. | Ct. | Ct. | Ct. | Ct. | Ct. |
| Month- | | | | | | | | | | | | |
| Sept. | 68.3 | 90.0 | 65.7 | 85.9 | 76.2 | 92.5 | 68.9 | 94.9 | 67.1 | 88.4 | 62.7 | 81.0 |
| Oct. | 65.3 | 85.6 | 64.7 | 82.7 | 73.3 | 83.2 | 65.5 | 90.1 | 68.5 | 87.5 | 63.2 | 80.0 |
| Nov. | 64.9 | 87.8 | 63.3 | 85.8 | 73.1 | 90.9 | 64.9 | 89.1 | 65.8 | 92.0 | 63.3 | 80.0 |
| Week ended- | | | | | | | | | | | | |
| Nov. 4 | 64.4 | 88.1 | 63.7 | 85.3 | 71.1 | 90.8 | 62.7 | 91.9 | 66.1 | 92.3 | 63.0 | 80.9 |
| 11 | 64.8 | 89.1 | 63.5 | 86.6 | 72.9 | 92.1 | 65.1 | 90.6 | 66.0 | 93.0 | 63.3 | 80.7 |
| 18 | 65.2 | 87.3 | 64.2 | 85.6 | 73.2 | 89.8 | 64.6 | 88.5 | 66.7 | 91.1 | 63.4 | 80.0 |
| 25 | 65.0 | 86.8 | 63.3 | 85.6 | 73.3 | 90.0 | 65.8 | 86.2 | 65.0 | 91.2 | 63.4 | 79.4 |
| Dec. 2 | 65.9 | 89.3 | 64.9 | 86.3 | 74.3 | 93.0 | 67.9 | 92.3 | 66.5 | 93.8 | 63.9 | 79.2 |
| 9 | 68.2 | 95.2 | 66.9 | 93.1 | 77.2 | 97.5 | 69.7 | 99.4 | 69.0 | 97.2 | 63.8 | 81.8 |
| 16 | 68.3 | 98.9 | 66.8 | 97.7 | 77.6 | 101.4 | 70.4 | 102.1 | 69.8 | 104.9 | 64.3 | --- |
| High 2/ | 68.3 | 98.9 | 66.9 | 97.7 | 77.6 | 101.4 | 70.4 | 102.1 | 69.8 | 104.9 | 64.3 | 81.8 |
| Low 2/ | 64.4 | 83.6 | 63.3 | 81.5 | 71.1 | 85.9 | 62.7 | 83.5 | 65.0 | 85.8 | 62.2 | 77.4 |

1/ Weekly average of daily cash quotations, basis No. 1 sacked.
2/ October 7 to December 16, 1939, and corresponding dates for 1938.

Table 4.- Average closing price of December wheat futures, specified markets and dates, 1938 and 1939

| Period | Winnipeg 1/ | | Liverpool 1/ | | Buenos Aires | | Chicago | | Kansas City | | Minneapolis | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1938 | 1939 | 1938 | 1939 | 1938 | 1939 | 1938 | 1939 | 1938 | 1939 | 1938 | 1939 |
| Month | Ct. | Ct. | Ct. | Ct. | Ct. | Ct. | Ct. | Ct. | Ct. | Ct. | Ct. | Ct. |
| Sept. | 61.8 | 69.0 | 71.4 | -- | -- | -- | 64.6 | 84.4 | 60.9 | 79.6 | 66.5 | 85.2 |
| Oct. | 59.2 | 64.2 | 66.7 | -- | -- | -- | 65.0 | 84.0 | 61.1 | 78.9 | 66.3 | 82.7 |
| Nov. | 57.9 | 62.1 | 62.5 | -- | -- | -- | 63.3 | 88.1 | 59.4 | 82.3 | 66.1 | 85.1 |
| Week ended- | | | | | | | | | | | | |
| Nov. 4 | 57.3 | 62.8 | 62.0 | -- | 2/50.6 | 3/54.5 | 64.0 | 86.8 | 59.9 | 81.6 | 65.6 | 85.6 |
| 11 | 57.4 | 62.4 | 62.0 | -- | 2/53.8 | 3/54.8 | 64.0 | 87.9 | 59.8 | 82.7 | 66.4 | 85.8 |
| 18 | 58.9 | 61.9 | 63.0 | -- | 55.2 | 3/55.1 | 64.0 | 87.6 | 59.7 | 81.9 | 66.8 | 84.3 |
| 25 | 57.9 | 61.0 | 62.7 | -- | 52.5 | 3/56.4 | 62.2 | 88.4 | 58.6 | 82.2 | 65.9 | 84.4 |
| Dec. 2 | 59.0 | 64.1 | 63.5 | -- | 51.0 | 3/59.6 | 62.4 | 90.7 | 59.7 | 84.0 | 66.8 | 87.4 |
| 9 | 60.4 | 69.2 | 66.1 | -- | 51.3 | 3/62.8 | 64.4 | 96.6 | 62.0 | 89.5 | 68.8 | 93.2 |
| 16 | 60.0 | 71.7 | 65.8 | -- | 49.1 | 3/67.7 | 64.0 | 101.6 | 61.8 | 95.6 | 68.8 | 98.3 |
| High 4/ | 60.4 | 71.7 | 68.2 | -- | 5/53.8 | 3/67.7 | 65.5 | 101.6 | 62.0 | 95.6 | 68.8 | 98.3 |
| Low 4/ | 57.3 | 61.0 | 62.0 | -- | 5/49.1 | 3/53.2 | 62.2 | 81.9 | 58.6 | 77.2 | 65.6 | 81.3 |

1/ Conversions at noon buying rate of exchange. 2/ November futures.
3/ Feb. futures. 4/ Oct. 7 to Dec. 16, 1939, and corresponding dates 1938.
5/ Nov. and Dec. futures.

Table 5.- Spreads between domestic wheat prices and prices at Winnipeg and Liverpool, specified periods, 1937-39

| Period | December futures per bushel | | | | Cash wheat per bushel | |
|---|---|---|---|---|---|---|
| | Chicago related to | | Kansas City related to | | No. 2 Hard Winter (Kansas City) related to | |
| | Winnipeg | Liverpool | Winnipeg | Liverpool | No. 3 Manitoba (Winnipeg) | Parcels (Liverpool) |
| September | Cents | Cents | Cents | Cents | Cents | Cents |
| 1937 | - 17.3 | - 23.6 | - 22.5 | - 28.8 | - 11.6 | - 26.5 |
| 1938 | 2.8 | - 6.8 | - 0.9 | - 10.5 | 7.9 | - 13.3 |
| 1939 | 15.4 | -- | 10.6 | -- | 23.2 | -- |
| October | | | | | | |
| 1937 | - 20.0 | - 28.7 | - 23.0 | - 31.7 | - 11.4 | - 31.2 |
| 1938 | 5.8 | - 1.7 | 1.9 | - 5.6 | 10.0 | - 8.7 |
| 1939 | 19.8 | -- | 14.7 | -- | 23.4 | -- |
| November | | | | | | |
| 1937 | - 21.6 | - 29.8 | - 24.0 | - 32.2 | - 16.4 | - 41.0 |
| 1938 | 5.4 | 0.8 | 1.5 | - 3.1 | 11.6 | - 3.2 |
| 1939 | 26.0 | -- | 20.2 | -- | 26.5 | -- |
| Week ended December 16 | | | | | | |
| 1937 | - 30.6 | - 19.9 | - 33.8 | - 23.1 | - 20.8 | -- |
| 1938 | 4.0 | - 1.8 | 1.8 | - 4.0 | 14.6 | -- |
| 1939 | 29.9 | -- | 23.9 | -- | 32.1 | -- |

Minus sign before figure denotes Chicago or Kansas City below Winnipeg or Liverpool.

Table 6.- Supply and disappearance of wheat in the United States, July-September, 1937 and 1938*

| Item | 1937 | 1938 | 1939 |
|---|---|---|---|
| | Million bushels | Million bushels | Million bushels |
| Supplies - | | | |
| Stocks, July 1 | 83.1 | 153.5 | 254.3 |
| Production | 875.7 | 930.8 | 739.4 |
| Less net exports, July-September | *13.0 | *28.0 | *19.3 |
| Total | 945.8 | 1,056.3 | 974.4 |
| Stocks, October 1 - | | | |
| On farms | 326.6 | 401.4 | 332.2 |
| Commercial | 141.5 | 139.3 | 162.0 |
| Interior mills and elevators | 152.6 | 174.4 | 162.6 |
| Merchant mills and elevators 1/ | 138.1 | 130.2 | 137.3 |
| Total | 758.8 | 845.3 | 794.1 |
| Disappearance 2/ | 187.0 | 211.0 | 180.3 |

1/ Bureau of Census raised to represent all merchant mills; includes "stored for others by merchant mills." 2/ Balancing item.

* Table 6, The Wheat Situation for November 25, 1939 corrected. In original table net exports were added instead of subtracted.

Table 7.- Wheat surplus for export or carry-over in three exporting countries, United Kingdom port stocks and stocks afloat, December 1, 1936-39 1/

| Position | 1936 | 1937 | 1938 | 1939 |
|---|---|---|---|---|
| Canada | Mil. bu. | Mil. bu. | Mil. bu. | Mil. bu. |
| In Canada | 120 | 71 | 180 | 375 |
| In the United States | 24 | 5 | 8 | 34 |
| Argentina | 10 | 4 | 12 | 78 |
| Australia | 8 | 9 | 13 | 2/ |
| Total | 162 | 89 | 213 | |
| United Kingdom port stocks | 7 | 11 | 19 | 2/ |
| Stocks afloat to: | | | | |
| United Kingdom | 19 | 11 | 15 | 2/ |
| Continent | 14 | 13 | 11 | 2/ |
| Orders | 6 | 10 | 5 | 2/ |
| Total | 46 | 45 | 50 | |
| Grand total | 208 | 134 | 263 | |

1/ Carry-over at the beginning of the year (Canada, July 31; Argentina, January 1; Australia, December 1 of the previous year) plus production, minus domestic utilization for the year minus monthly exports to date. 2/ Not available.

Table 8.- Movement of wheat, including flour, from principal exporting countries, 1936-37 to 1939-40

| Country | Exports as given by official sources: Total 1936-37 | Total 1937-38 | Total 1938-39 | July 1 to date shown 1937-38 | July 1 to date shown 1938-39 | July 1 to date shown 1939-40 | Date |
|---|---|---|---|---|---|---|---|
| | 1,000 bushels | 1,000 bushels | 1,000 bushels | 1,000 bushels | 1,000 bushels | 1,000 bushels | |
| United States 1/ | 21,584 | 107,194 | 115,784 | 24,659 | 35,519 | 26,509 | Oct. 31 |
| Canada | 213,028 | 94,546 | 159,885 | 53,175 | 80,942 | 87,151 | Nov. 30 |
| Argentina | 162,977 | 69,670 | 116,116 | 14,000 | 19,556 | 56,272 | Oct. 31 |
| Australia | 97,712 | 123,453 | 96,685 | 13,076 | 17,904 | 10,467 | Aug. 31 |
| Soviet Union | 4,479 | 43,354 | --- | | | | |
| Hungary | 27,428 | 9,368 | 27,650 | 1,525 | 2,200 | 7,837 | Aug. 31 |
| Yugoslavia | 17,954 | 5,012 | 5,346 | 1,975 | 1,586 | 2,496 | Aug. 31 |
| Rumania | 36,253 | 32,210 | 43,940 | 10,090 | 7,009 | 6,210 | Sept.30 |
| Bulgaria | 7,275 | 8,489 | 2,633 | 1,085 | 177 | 1,521 | Aug. 31 |
| British India | 16.571 | 19,677 | 10,097 | | | | |
| Total | 605,266 | 512.973 | 578,136 | | | | |

| Country | Shipments as given by trade sources: Total 1937-38 | Total 1938-39 | Week ended 1938: Dec. 2 | Dec. 9 | Dec.16 | July 1 - Dec.16: 1938 | 1939 |
|---|---|---|---|---|---|---|---|
| | 1,000 bushels | 1,000 bushels | 1,000 bushels | 1,000 bushels | 1,000 bushels | 1,000 bushels | 1,000 bushels |
| North America 2/ | 184,720 | 245,296 | 6,405 | 4,644 | 2,660 | 114,256 | 89,747 |
| Canada 3/ | 94,546 | 159,885 | 5,800 | 4/ 4,300 | 4/ 2,000 | 89,800 | 93,500 |
| United States 5/ | 83,589 | 94,157 | 907 | 423 | 615 | 27,746 | 23,487 |
| Argentina | 66,928 | 114,272 | 4,056 | 4,281 | 2,456 | 25,996 | 80,774 |
| Australia | 127,520 | 102,116 | --- | --- | --- | 6/18,696 | 6/11,028 |
| Soviet Union | 42,248 | 39,824 | 0 | 0 | 0 | 37,128 | 2,342 |
| Danube and Bulgaria 7/ | 37,232 | 52,848 | 1,024 | 1,664 | 848 | 19,384 | 17,936 |
| British India | 8/19,677 | 8/10,097 | 0 | 0 | 0 | 6,208 | 0 |
| Total 9/ | 478,325 | 564,453 | | | | 221,668 | 201,827 |
| Total European shipments 2/ | 397,592 | 450,784 | | | | | |
| Total ex-European shipments 2/ | 99,400 | 146,760 | | | | | |

1/ Includes flour milled in bond from foreign wheat.
2/ Broomhall's Corn Trade News.
3/ Official exports as reported to date, supplemented by reported weekly clearances of wheat, and estimates of flour shipments.
4/ Figure derived by subtracting the United States exports from Broomhall's estimate for North America.
5/ Official reports received from 16 principal ports only.
6/ Through September 2 only.
7/ Black Sea shipments only.
8/ Official.
9/ Total of trade figures includes North America as reported by Broomhall's but does not include items 2 and 3.

Table 9.- Shipments of wheat, including flour from principal exporting countries, specified dates, 1938 and 1939

| Period | Argentina | | Australia | | Danube | | North America | |
|---|---|---|---|---|---|---|---|---|
| | 1938 | 1939 | 1938 | 1939 | 1938 | 1939 | 1938 | 1939 |
| | 1,000 bu. | 1,000 bu. | 1,000 bu. | 1,000 bu. | 1,000 bu. | 1,000 bu. | 1,000 bu. | 1,000 bu. |
| July-Oct. | 20,124 | 53,472 | 29,812 | 1/11,028 | 7,464 | 10,464 | 80,776 | 61,832 |
| Week ended- | | | | | | | | |
| Nov. 4 | 1,012 | 3,896 | 496 | 2/ | 848 | 632 | 6,192 | 2,040 |
| 11 | 900 | 5,152 | 568 | 2/ | 880 | 1,264 | 6,488 | 3,552 |
| 18 | 712 | 3,115 | 584 | 2/ | 2,256 | 960 | 5,992 | 4,208 |
| 25 | 680 | 4,346 | 1,536 | 2/ | 1,672 | 1,080 | 6,312 | 4,406 |
| Dec. 2 | 1,116 | 4,056 | 608 | 2/ | 3,624 | 1,024 | 4,688 | 6,405 |
| 9 | 452 | 4,281 | 1,656 | 2/ | 1,504 | 1,664 | 2,072 | 4,644 |
| 16 | 1,000 | 2,456 | 1,696 | 2/ | 1,136 | 848 | 1,736 | 2,660 |

Compiled from Broomhall's Corn Trade News.
1/ Through September 2 only.
2/ Not available.

Table 10.- Exports of wheat and wheat flour from the United States 1938 and 1939

(Includes flour milled in bond from foreign wheat)

| Period | Wheat | | Wheat flour | | Wheat including flour | |
|---|---|---|---|---|---|---|
| | 1938 | 1939 | 1938 | 1939 | 1938 | 1939 |
| | 1,000 bushels | 1,000 bushels | 1,000 barrels | 1,000 barrels | 1,000 bushels | 1,000 bushels |
| July-Oct. | 27,331 | 19,152 | 1,742 | 2,842 | 35,519 | 26,509 |
| Week ended 1/: | | | | | | |
| Nov. 4 | 717 | 12 | 93 | 47 | 1,154 | 233 |
| 11 | 387 | 29 | 84 | 84 | 782 | 424 |
| 18 | 2,092 | 164 | 51 | 63 | 2,332 | 460 |
| 25 | 458 | 903 | 81 | 102 | 839 | 1,382 |
| Dec. 2 | 338 | 277 | 57 | 134 | 606 | 907 |
| 9 | 110 | 19 | 149 | 86 | 810 | 423 |
| 16 | 63 | 2/ 436 | 44 | 2/ 38 | 270 | 2/ 615 |

Compiled from reports of the Department of Commerce.
1/ Data for total exports from the United States by weeks are not available. These data represent exports through 16 of the principal ports.
2/ Preliminary.

Table 11.-Net imports of wheat including flour, into European countries, years beginning July 1, 1937 to 1939

| Country | 1937-38 | 1938-39 | Reported net imports July 1 to | 1938-39 | 1939-40 |
|---|---|---|---|---|---|
| | Mil. bu. | Mil. bu. | | Mil. bu. | Mil. bu. |
| Belgium | 36 | 39 | Aug. 31 | 8 | 2 |
| Czechoslovakia | 1/ - 1 | 1/ - 1 | Aug. 31 | 1 | 3 |
| Denmark | 6 | 5 | Sept. 30 | 1 | 1 |
| Finland | 3 | 2 | Aug. 31 | 1 | 2/ |
| France | 15 | 1/ - 2 | July 31 | 1 | 1/ - 2 |
| Germany, Austria | 54 | 45 | July 31 | 1 | 1 |
| Greece | 18 | 14 | Aug. 31 | 4 | 3 |
| Ireland | 14 | 17 | Aug. 31 | 2 | 3 |
| Italy | 5 | 14 | July 31 | 3 | 2 |
| Latvia | 1 | 2/ | Aug. 31 | 2/ | 0 |
| Netherlands | 24 | 29 | Oct. 31 | 10 | 10 |
| Norway | 7 | 8 | Oct. 31 | 3 | 4 |
| Poland | 3/ | 1/ - 3 | July 31 | 3/ | 3/ |
| Portugal | 1 | 4 | Sept. 30 | 3 | 2/ |
| Sweden | 1/ - 1 | 2 | Sept. 30 | 1 | 2/ |
| Switzerland | 14 | 17 | Oct. 31 | 6 | 7 |
| United Kingdom | 193 | 220 | Aug. 31 | 38 | 48 |
| Total imports of above | 391 | 416 | | | |
| Spain | 3 | 16 | | | |
| Total imports | 394 | 432 | | 83 | 84 |
| Total exports | 2 | 6 | | 0 | 2 |
| Total net imports | 392 | 426 | | 83 | 82 |

Compiled from official sources except as otherwise stated.

1/ Net exports.
2/ Less than 500,000 bushels.
3/ Net exports of less than 500,000 bushels.

## WORLD RYE PRODUCTION IN 1939

Production of rye in the 23 countries for which reports are available totaled 953,386,000 bushels in 1939. This is 2 percent less than the production reported in these countries in 1938, when their production was almost 92 percent of the estimated world total for rye.

## UNITED STATES RYE PRODUCTION IN 1939

The 1939 rye crop of 39,249,000 bushels was 29 percent smaller than the large 1938 crop but 8 percent above the 10-year (1928-37) average production. Most of the decrease in rye production this year compared with 1938 was due to much smaller crops in Wisconsin, Iowa, Minnesota, North Dakota, South Dakota, and Nebraska where spring moisture conditions were unfavorable. These six States accounted for two-thirds of the total United States production of rye in 1939, which is also their average ratio for the 10 years, 1928 to 1937. In 1938, however, they produced 79 percent of the total crop.

The 3,811,000 acres of rye harvested for grain this year represented 53 percent of the total acreage seeded for all purposes, whereas the 4,021,000 acres harvested in 1938 comprised 60 percent of the total seeded acreage. The grain yield harvested per acre this year was 10.3 bushels compared with 13.8 bushels in 1938 and 11.1 bushels, the 10-year average. Yields were above average in a majority of the States east of the Mississippi River and below average west of the River except in Missouri and several States in the Northwest.

## UNITED STATES RYE SOWN FOR HARVEST IN 1940

The acreage of rye seeded in the fall of 1939 is estimated at 5,640,000 acres or 78.5 percent of the 7,187,000 acres seeded in the fall of 1938. The seedings of rye include acreage seeded for pasture, soil improvement, etc., as well as acreage for harvest as grain. An allowance is made also for spring seedings in areas where rye is spring sown. Increases over 1938 occurred in the Atlantic Coast States and in the Pacific Northwest where much of the sown acreage is used for purposes other than grain, such as pasture and cover crop. The decreases in the East North Central States largely offset the increases made last year when growers shifted some acreage to rye, partly because of the reduced wheat acreage allotments. Decreases in the important rye States of the Northern Great Plains were due mainly to lack of moisture at seeding time, and were greater both in percentage and area than elsewhere.

The condition of rye on December 1, 1939 at 64 percent of normal is 12 condition points below last year and 15 points lower than the 10-year (1927-36) average. East of the Mississippi River, condition is lower than the 10-year average except in Michigan, but only in Kentucky, Tennessee and Georgia is condition as much as 10 points below average. Between the Mississippi River and the Rocky Mountains the condition varies from 14 points below the 10-year average in Minnesota to 38 points in Nebraska. The low condition and yield prospect reflects the extreme shortage of moisture over much of the rye producing territory.

Table 12.-Rye: Production in specified countries, 1936-39

| Country | 1936 | 1937 | 1938 | 1939 |
|---|---|---|---|---|
| | 1,000 bu. | 1,000 bu. | 1,000 bu. | 1,000 bu. |
| United States | 25,319 | 49,830 | 55,564 | 39,249 |
| Canada | 4,281 | 5,771 | 10,988 | 15,307 |
| Total (2) | 29,600 | 55,601 | 66,552 | 54,556 |
| Europe: | | | | |
| Bulgaria | 8,188 | 9,387 | 7,397 | 9,674 |
| Denmark | 7,842 | 9,889 | 11,165 | 9,842 |
| Estonia | 6,044 | 8,327 | 7,403 | 8,042 |
| Finland | 12,134 | 16,982 | 14,507 | 12,795 |
| Germany | 290,793 | 272,296 | 1/381,874 | 2/369,304 |
| Austria | 18,610 | 16,830 | 23,373 | |
| Greece | 1,654 | 2,569 | 2,439 | 2,401 |
| Hungary | 28,114 | 24,325 | 31,677 | 3/ 36,251 |
| Italy | 5,204 | 5,701 | 5,428 | 5,962 |
| Latvia 4/ | 11,145 | 15,380 | 14,814 | 17,698 |
| Lithuania | 21,354 | 23,894 | 24,555 | 25,724 |
| Luxemburg | 449 | 392 | 507 | 549 |
| Netherlands | 18,736 | 19,036 | 21,694 | 23,621 |
| Norway | 425 | 443 | 433 | 408 |
| Poland | 250,536 | 221,949 | 285,556 | 3/300,382 |
| Rumania | 17,842 | 17,768 | 20,362 | 19,062 |
| Spain | 18,053 | 5/ 19,700 | 5/ 16,900 | 17,212 |
| Sweden | 13,838 | 16,250 | 15,933 | 15,263 |
| Switzerland | 1,077 | 1,296 | 1,447 | 1,287 |
| Yugoslavia | 8,002 | 8,243 | 8,941 | 9,637 |
| Total (19) | 740,040 | 710,657 | 896,405 | 885,114 |
| Algeria | 29 | 37 | 44 | 44 |
| Argentina | 7,480 | 3,543 | 10,826 | 14,172 |
| Total (23) | 777,149 | 769,838 | 973,327 | 953,886 |

1/ Includes estimate for the Sudetenland. 2/ Includes Austria and the Sudetenland. 3/ New boundaries and, therefore, not strictly comparable with previous years. 4/ Winter wheat only. 5/ Estimated.

Table 14.-Rye: Supply and distribution, United States, 1935-39

| Year beginning July | Supply | | | | | | Distribution | | |
|---|---|---|---|---|---|---|---|---|---|
| | Stocks | | Total | Production | Imports | Total supply | Exports | Stocks | Apparent disappearance |
| | Commercial July 1 | Farm July 1 | | | | | | | |
| | 1,000 bu. | 1,000 bu. | 1,000 bu. | 1,000 bu. | 1,000 bu. | 1,000 bu. | 1,000 bu. | 1,000 bu. | 1,000 bu. |
| 1935 | 8,560 | 2,723 | 11,283 | 58,597 | 2,266 | 72,146 | 9 | 22,299 | 49,338 |
| 1936 | 6,379 | 15,920 | 22,299 | 25,319 | 3,943 | 51,561 | 249 | 5,886 | 45,426 |
| 1937 | 1,406 | 4,480 | 5,886 | 49,830 | 1/ | 55,716 | 6,578 | 9,699 | 39,439 |
| 1938 | 1,000 | 8,699 | 9,699 | 55,564 | 1/ | 65,263 | 3/784 | 23,066 | 41,413 |
| 1939 2/ | 7,384 | 15,682 | 23,066 | 39,249 | | 62,315 | | (22,000) | (40,000) |

1/ Less than 500 bushels.
2/ Preliminary.